

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Order Instituting Investigation and Order to Show Cause on the Commission's own motion into the operations and practices of Mr. Move Moving & Storage, Inc., a California corporation, doing business as Load Rock N Roll Moving and Storage, Right Now Moving and Storage, Same Day Moving, Short Notice Moving and Storage, A All-American Relocation, Load Lock N Roll, Long Beach Security Storage, Mister Move, and its president, Eli Galam,

Respondents.

FILED  
PUBLIC UTILITIES COMMISSION  
APRIL 21, 2005  
SAN FRANCISCO  
I.05-04-019

**ORDER INSTITUTING INVESTIGATION TO EXPEDITIOUSLY DETERMINE  
WHETHER RESPONDENTS' HOUSEHOLD GOODS CARRIER PERMIT  
SHOULD BE REVOKED WITH PREJUDICE AND WHETHER OTHER RELIEF  
AND SANCTIONS SHOULD BE APPLIED**

**I. INTRODUCTION**

We issue this Order Instituting Investigation (OII) and Order To Show Cause (OSC) to expeditiously determine whether Mr. Move Moving & Storage, Inc.<sup>1</sup> (Mr. Move) has violated the laws and regulations that govern household goods carriers, whether its household goods carrier permit should be revoked, and whether other relief and sanctions should be applied. The Commission's Consumer Protection and Safety Division (CPSD or staff) has prepared investigative reports and obtained declarations from 19 consumers documenting the allegations in this case. Staff's investigation disclosed numerous violations of consumer protection rules in the Commission's

---

<sup>1</sup> Mr. Move Moving & Storage, Inc. does business under the following fictitious business names: Load Rock N Roll Moving and Storage, Right Now Moving and Storage, Same Day Moving, Short Notice Moving and Storage, A All-American Relocation, Load Lock N Roll, Long Beach Security Storage, and Mister Move.

Maximum Rate Tariff 4 (MAX 4), including “holding goods hostage” and threatening to auction them unless the consumers paid significantly more than the “Not To Exceed Price”, and operations during periods of suspension notwithstanding staff directives to immediately cease and desist all operations.

Staff’s reports and the consumer declarations also demonstrate that Mr. Move has done the following:

1. Failed to unload shipments upon payment of the Not To Exceed Price;
2. Failed to timely acknowledge and process consumers’ claims for lost, stolen or damaged goods;
3. Failed to properly supervise and train its employees resulting in untrained and unqualified workers;
4. Failed to properly supervise and manage its employees and facilities resulting in items being stolen while in the custody of Mr. Move and/or its agents and employees;
5. Provided illegal verbal estimates; charged more than the provided estimate;
6. Failed to provide a valid Change Order for services and charges not covered by the estimate;
7. Failed to provide the required “Not To Exceed Price” on shipping documents;
8. Failed to issue the “Important Information For Persons Moving Household Goods” booklet;
9. Failed to offer or allow consumers to select a valuation coverage other than \$0.60 per pound per article;
10. Failed to provide shippers with an Agreement For Moving Services prior to commencement of any moving services;
11. Failed to include required information on shipping documents;
12. Failed to provide shippers with a Shipping Order and Freight Bill;
13. Charged customer in excess of the total time loading, unloading and double the driving time;
14. Assessed unauthorized charges for paper and packing tape;

15. Charged hourly rates on shipments transported in excess of 100 constructive miles;
16. Failed to obtain a weighmaster's certificate when required;
17. Failed to provide requested records to a Commission representative; and failed to cross-reference all fictitious business names in its yellow pages directory advertisements.

In view of the scope and serious nature of the allegations, and the possible harm we perceive to the public, this proceeding shall be expedited.

## **II. COMPANY BACKGROUND**

### **A. Mr. Move's License History (MTR 184,175)**

Mr. Move is a licensed, statewide household goods carrier (HHG) which operates primarily from an office located at 6820 Santa Monica Blvd., Los Angeles, California. The Commission's License Section records show the carrier's mailing address as 7040 Darby Avenue, Reseda, CA, and the business address as 19401 Londelius Street, Northridge, CA. Mr. Move incorporated in California on December 21, 1994 (corporation # 1874974.) According to documents obtained from California Secretary of State, Eli Galam is its Chief Executive Office (CEO) and the person who executed the Articles of Incorporation. Secretary of State's records also showed Zion Guetta as its Agent for Process of Service, however, in a staff interview on August 1, 2003, Eli Galam stated that A. Eli Galam (his cousin) is now the Agent for Process of Service.

Eli Galam previously held a household goods permit as an individual doing business as (dba) Load Rock N Roll under File Number T-172,650. On May 30, 1995, Eli Galam filed an application to transfer his individual HHG permit to the corporation, Mr. Move. The Commission granted operating authority to Mr. Move on March 11, 1996 (permit # Cal T-184,175.) Since late December 2002 to date, Mr. Move's permit was suspended on at least six (6) occasions for various administrative reasons including insurance suspensions.

**B. Affiliation with Load Lock N Roll (MTR 189,076)**

Load Lock N Roll Moving and Storage, Inc. (Load Lock N Roll), is a California corporation incorporated on March 3, 1993. Its president and sole officer was Mike Amos Galam (Mike Galam). In an interview with Staff on February 12, 2003, Mike Galam stated that he is the manager and administrator for Mr. Move. He stated that he “does mostly sales and bookkeeping” adding, that he is not there on a day-to-day basis to run the operation.

Load Lock N Roll’s business address was 6820 Santa Monica Blvd., Los Angeles, CA 90038, the same address currently used by Mr. Move. License Section records show that Load Lock N Roll was issued a household goods carrier permit on November 10, 1998. The permit was revoked on March 26, 2002 for failure to exercise the permit for a period of one year, pursuant to Public Utilities Code § 5284<sup>2</sup>.

In 1998, the Commission issued an Order Instituting Investigation (I. 98-03-012) into the operations of Mike (Amos) Galam dba Load Lock N Roll. On May 29, 1998, Mike Galam signed a Settlement Agreement, which was approved and adopted in Decision No. 99-02-027 dated February 4, 1999. The decision ordered Load Lock N Roll to pay a \$15,000 fine, resolve customer complaints, and pay customers restitution. The decision also placed a 40-day suspension and a two-year probation period upon the carrier’s permit. Mike Galam and Load Lock N Roll were ordered to refrain from providing oral estimates of total costs; provide adequate equipment and ensure proper supervision and training of employees; refrain from physical abuse of customers as well as threats thereof; refrain from using pre-printed Not to Exceed prices on contracts, specifically the amount of \$10,000 used as a standard on all contracts; refrain from charging a higher rate for payment not tendered in cash if only the cash rate was quoted; properly complete and provide shipping documents, completed insurance Valuation

---

<sup>2</sup> Unless otherwise noted, all statutory references are to the California Public Utilities Code.

options and Information Booklets as required by Max 4; and refrain from denying loss/damage claims solely because said loss/damage was not noted at the time of delivery.

### **C. Criminal Convictions**

In a joint investigation with the Los Angeles City Attorney's office, Staff investigated Mr. Move and its president, Eli Galam, and Luis Alfredo Soriano (moving crew foreman), after receiving consumer complaints alleging overcharges, goods being held hostage for higher payment, poor service, and loss or damages to personal belongings. The investigation disclosed that Mr. Move continued to perform moving services during periods when its HHG permit was suspended, and uncovered violations of the Commission consumer protection rules.

On August 1, 2003, the Los Angeles City Attorney's Office filed a criminal complaint against Eli Galam and Mr. Move in Los Angeles County Superior Court (case number 3CR02706), alleging violations of the Public Utilities Code, MAX 4, and the Penal Code.

In September 2004, Eli Galam, the corporation (Mr. Move) and Luis Alfredo Soriano (foreman) were charged with ten (10) counts of attempted extortion (Penal Code §§ 664/518), fifteen (15) counts of failing to observe Commission rules (Public Utilities Code § 5139), one count of conducting office moves without authorization, one count of making false/misleading statements, one count of operating with a suspended permit (Public Utilities Code § 5286) and one count of vandalism (Penal Code § 594a).

On September 10, 2004, a Stipulation to Sentencing Order was filed that provided:

- A. The corporation, Mr. Move, entered a Plea of Nolo Contendere to twelve (12) misdemeanor counts for violations of the Public Utilities Code and MAX 4 rules, including misrepresenting rates and scope of services to the public, failing to sign and provide agreements for moving services, failing to provide customers with freight bills upon completion of the move, failing to unload a

shipment to a customer upon payment of the “Not To Exceed Price”, and charging incorrect rates for a long distance move. The court sentenced the corporation to 36 months summary probation, ordered it to pay \$ 1,000 fine plus \$ 3,200 penalty assessment on five (5) counts, \$ 22,335 in restitution to 18 victims for overcharges, loss or damages, and \$ 100 to the Victims’ Restitution Fund.

- B. Eli Galam, President, entered a Plea of Nolo Contendere to eleven (11) misdemeanor counts for violations of the Public Utilities Code and MAX 4 rules. The court sentenced Eli Galam to serve 45 days in jail or CalTrans duty, placed him on 36 months summary probation, and ordered him to pay \$ 100 to the Victims’ Restitution Fund.
- C. Luis Alfredo Soriano, crew foreman, entered a Plea of Nolo Contendere to one count of criminal trespass (Penal Code § 602(m).) The court sentenced Luis Soriano to serve 20 days in jail or perform CalTrans duty, placed him on 36 months summary probation, and ordered him to pay \$ 100 to the Victims’ Restitution Fund.

### **III. FACTUAL ALLEGATIONS**

Staff began its investigation of Mr. Move in January 2003. Staff reported that the Better Business Bureau (BBB) website showed a history of approximately 137 intrastate moving complaints against Mr. Move dating back to 1992. Approximately 13 intrastate complaints were received in 2002, 30 were received in 2003, and as of October 2004, 12 were received in 2004. The Commission received approximately 53 intrastate moving complaints dating back to 2001, some of which were filed with the BBB. Staff reviewed consumer complaints and obtained 19 consumer declarations regarding their moving experience on moves conducted by Mr. Move in 2003 and 2004. Mr. Move was not cooperative in complying with Staff’s request for its business records, but Staff was eventually able to obtain some business records, including a claim register and shipping documents. Staff’s findings are described in its investigative reports.

**A. Operations During Periods Of Suspension**

A household goods carrier is required to have proof of cargo insurance on file with the Commission while its permit is in effect (§§ 5161 and 5164, and General Order (G.O.) 136-C.) After cancellation, suspension, or revocation of a household goods carrier's permit, it is unlawful for the carrier to conduct operations as a carrier (§ 5286.) It is unlawful for a household goods carrier to fail to comply with any order, decision, rule, regulation, direction, demand, or requirement of the Commission (§ 5139.) Every violation of the Household Goods Carriers' Act is a separate and distinct offense. In case of a continuing violation, each day's continuance is a separate and distinct offense (§ 5315.)

Staff has provided evidence that the Commission's License Section notified Mr. Move that its permit was suspended in two separate instances. The first time was when its cargo insurance was cancelled and thus its permit was suspended from December 24, 2002 through January 22, 2003. The second case occurred when staff discovered that Mr. Move failed to notify the Commission that its qualified MAX 4 examinee ceased to be connected with the company as required by § 5135<sup>3</sup>, and thus its permit was suspended from June 24, 2003 through July 9, 2003.

Staff's report includes a Notice of Impending Suspension and Order of Suspension sent to Mr. Move notifying it of the suspension for failure to file evidence of cargo insurance, which include the following directive: "You are hereby directed not to operate unless and until your Commission operating authority is reinstated." On the subsequent suspension, Staff personally served Eli Galam the Order of Suspension, which directed Mr. Move to immediately cease all operations. Staff alleges that notwithstanding

---

<sup>3</sup>Section 5135 PUC reads, in part, as follows:

c) If the individual qualified by examination cease to be connected with the permitholder, the permitholder shall notify the commission in writing within 30 days after the cessation. If notice is given the permit shall remain in force a reasonable length of time in order that another representative of applicant may be qualified before the commission. If the permitholder fails to notify the commission of the cessation within a 30-day period, at the end of that period the permit shall be automatically suspended.

these directives, Mr. Move continued to conduct household goods operations<sup>4</sup> during these periods when its permit was under suspension.

Furthermore, Staff has provided evidence that the Commission's License Section notified Mr. Move that its permit was again suspended from December 24, 2004 to February 16, 2005 for failure to file evidence of cargo insurance with the Commission. Staff reported that License Section sent Mr. Move notices similar to those previous suspensions with similar directives to cease and desist all operations. Staff alleges that Mr. Move continued to conduct household goods operations during these periods when its permit was under suspension, and Staff will present additional evidence through supplemental prepared testimony.

If these allegations are true, Mr. Move has unlawfully operated without the required insurance on file and failed to comply with the Commission's direction to cease operations, in violation of §§ 5161, 5164, 5286 and 5313. For operating without a valid permit, the Commission may impose a fine of up to \$5,000 per day of violation (§§ 5313.5 and 5315.)

#### **B. Operating Without Evidence of Insurance on File**

A household goods carrier must procure and maintain *inter alia* evidence of adequate PL&PD and cargo insurance coverage in effect and on file with the Commission carrier while its permit is in effect. (Sections 5139, 5161 and 5164, and G.O.s 100-M and 136-C.)

In this case, Respondents failed to maintain on file with the Commission evidence of public liability and cargo insurance coverage for 103 days, while its permit was in effect (see table below).

---

<sup>4</sup> Mr. Move performed the following moves: Richard Hood, Dolores Lemus, Julie Arico, Barnett Lewis and Jin Lee.



<b>Coverage</b>	<b>Period in which evidence of insurance coverage was not filed with the Commission</b>	<b>Total # of days</b>
PLPD	January 10, 2004 through January 27, 2004	18
CARGO	December 24, 2002 through January 22, 2003 December 24, 2004 through February 16, 2005	85
		<b>103</b>

Section 5313 authorizes a \$ 500 fine per violation, at 103 alleged violations, Respondents could be held jointly liable for total fine of \$ 515,000.

**C. Failure to Unload Shipments Upon Payment of the Not To Exceed Price**

A carrier is required to unload a shipment at destination upon the consumer's payment of the Not To Exceed Price, plus all charges on a valid Change Order For Services, whether the carrier believes other charges are due or not. (MAX4, Item 104(1))

Staff's report and consumer declarations allege that Mr. Move held consumers goods "hostage" and threatened to auction them unless consumers paid significantly more than the "Not To Exceed Price" appearing on Mr. Move's shipping documents, or the amount of a verbal estimate given on the telephone. Consumers allege that they had to pay the higher price under duress because they feared the movers would leave without delivering their personal belongings. In at least five instances, intervention by CPSD enforcement staff and Los Angeles City Attorney investigators was required before Mr. Move would release the captive property. Staff alleges that the carrier remained defiant and continued to engage in the same practice of deliberately underestimating the actual costs of moves and later holding goods hostage in demand for higher payments.

**D. Failure to Acknowledge or Respond to Claims**

A carrier receiving a claim for loss or damage to property shall acknowledge receipt of such claim in writing within 30 days. (MAX 4, Item 92,

Paragraph 15.) The carrier, after receipt of such a claim, must either pay the claim, decline to pay, or make a firm compromise offer to the claimant within 60 days. (Ibid.)

Staff obtained Mr. Move's Claim Register, which identified 342 claims for the period of January 4, 2002 through January 14, 2003. The claims register did not indicate the amount of the claims and the date claims were acknowledged and settled. Staff's review of the complaints and the consumer declarations disclosed that Mr. Move failed to acknowledge consumers' claims or failed to process their claims in a timely manner. Consumers allege that Mr. Move failed to acknowledge their claim, and failed to pay, decline to pay, or make a settlement offer in a timely manner, in violation of Item 92. Consumers' declarations alleged that calls to the carrier regarding their claims were met with rudeness and a disconnection of the calls.

#### **E. Unqualified, Unprofessional Help**

G.O. 142 provides that no carrier shall permit any driver, helper, and/or packer to be used in the transportation of any household goods shipment unless such person is trained and experienced in the movement of used household goods. Also, carriers shall not knowingly permit drivers, helpers, and/or packers to go on duty who are under the influence of alcohol or drugs; employees are prohibited from drinking alcohol while on duty. G.O. 142 was promulgated by the Commission to protect consumers from excessive charges resulting from inexperienced, inefficient crews, and from excessive loss and damages which such crews could cause, and further to protect the crew itself from on-the-job injuries.

Consumers allege that Mr. Move's employees are untrained, inexperienced, and unqualified to move household goods, resulting in items being damaged by movers who mishandled their items. Consumers also allege that their belongings were missing while in the possession of Mr. Move and its employees. Of the 19 victims' declarations obtained by staff, six state that some of their personal belongings are still missing and have not been returned by Mr. Move.

Consumer declarations further allege that Mr. Move's movers exhibited unprofessional conduct by often appearing rude, untrained or intoxicated, and using profanities. Consumers also alleged that the movers were verbally abusive and physically threatening. In one case, consumer Wendelyn Jones stated in her declaration that the movers trashed her townhouse leaving human defecation on the carpet, vomit on the bathroom floor, impacted mud in every room, and food wrappers and empty wine cooler bottles strewn on the living room floor. In another case, consumer Leon Garcia stated in his declaration "I was shocked to see the movers were not dressed professionally or appropriately to move household goods. Two of the movers looked like gang members and thugs who just got out of prison." In yet another case, consumer Angela Lussier stated in her declaration that her belongings and furniture, which were shrink-wrapped, appeared to have some kind of liquid on them with an appearance of aging urine. Lastly, consumer Bruce Mohn in his written declaration stated that he "observed that the movers were not working as a team and were constantly bickering and using profanity, which my wife and I found extremely offensive."

If these allegations are true, Mr. Move's failure to supervise and manage its employees, by ensuring that its employees are professional, trained and experienced, and not under the influence of alcohol or drugs, constitutes a violation of G.O. 142.

#### **F. Other MAX 4 Violations**

**1. Verbal Estimates and Charging in Excess of the Estimates - MAX 4,** Item 108 requires that all estimates shall be in writing upon prescribed forms, and shall be based upon visual inspection of the goods to be moved. Item 108 also provides for a maximum allowable charge for estimated shipments. Consumers allege that they were assessed charges without any visual inspection of the goods to be moved and in excess of prices quoted and estimates given. Failure to observe Commission rules and regulations regarding estimates is unlawful, pursuant to section 5245. Mr. Move will be ordered to review the 19 consumer declarations and satisfy all those consumers' claims of

overcharges arising from violation of Commission estimating rules, and the Commission will also consider other appropriate remedies.

**2. Change Order** - MAX 4, Item 120 requires the carrier to properly execute a Change Order containing all required information for additional services and increased charges, signed by both the shipper and carrier. Consumers allege that they were assessed additional charges not shown on the Estimate and without being presented with a Change Order.

**3. Important Information booklet** - MAX 4, Item 88 requires the carrier to provide each prospective shipper at the time of first in person contact with a booklet entitled "Important Information For Persons Moving Household Goods". Consumers allege Mr. Move failed to provide them with this booklet.

**4. Valuation Options** - MAX 4, Items 128(2r), Note 3, and 136(3) require the carrier to offer three valuation options for lost or damaged goods: Basic Coverage at \$.60 per pound per article (mandated by MAX 4, Item 136 and at no additional cost), Actual Cash Value of the total amount declared, which is the fair market value up to the total value declared (at additional expense to the consumer), and Full Cash Value, which is the replacement value of the item (also at additional expense). Consumers allege that they were not offered or allowed to select a higher valuation other than the basic coverage of \$ .60 cents per pound per article.

**5. Agreement For Services and Not To Exceed Price** - MAX 4, Item 128 requires the carrier to properly and timely execute prescribed documents containing specified information so that the carrier and the consumer can sign each document prior to commencement of any service. These shipping documents are to contain such information as the scope of service to be provided, the rates and/or charges for those services, information regarding valuation, number and names of drivers and helpers, equipment to be provided, and rights and obligations of the carrier and the consumer. Under Item 128, this "Agreement For Service" is to be provided to the consumer, where possible, no less than three days prior to the date of the move. The Agreement For

Service is also to contain a "Not To Exceed Price". All of these provisions are intended to be a further guarantee that the consumer has an opportunity to be fully informed before relinquishing to the carrier their most personal and valuable possessions. Consumers allege that they were not given the "Agreement for Service" three days prior to the date of the move or not at all, and that they were not given a "Not To Exceed Price" prior to the move.

**6. Freight Bills and Not To Exceed Price** - MAX 4, Item 132 requires the carrier to properly execute and provide to the consumer a freight bill on prescribed forms, and containing specified information about the shipment, points of origin and destination, units of measurement, date issued, preferred delivery date, form of payment, signature of carrier, all names both real and fictitious used by the carrier, and the "Not To Exceed Price". Also required, under this Item and Item 36 of the MAX 4, is a legible record of all starting and ending times for each phase of service (i.e. packing, loading, driving, and unloading), and a record of deductions in time, if any. Staff's report alleges finding numerous freight bills and other shipping documents that failed to meet these requirements.

**7. Improper Charges** - MAX 4, Item 340 provides that when the consumer pays the carrier for packing containers, no additional charges shall be made for other materials used in the packing and sealing of the container, such as dividers, paper, tape and labels. Consumers allege that they were charged for packing materials such as paper and tape. In addition, Item 36 provides that the time used for computing charges shall be the total of loading, unloading, and double the driving time from point of origin to the point of destination. A consumer alleges that the movers arrived 1.5 hours late without contacting her about the delay, and that while she contacted Eli Galam about the delay, the movers stopped unloading her belongings and charged her for the down time.

**8. Application of Rates** – MAX 4, Item 16 provides that distance rates which are charged to the shipment weight, apply for shipments transported in excess of 100 constructive miles. Also in conjunction with Item 16, Item 80 requires the carrier to

obtain a weighmaster's certificate or ticket prior to delivery and unloading of a shipment transported under distance rates. Staff's report alleges Mr. Move assessed hourly rates in lieu of distance rates and failed to obtain a weighmaster's certificate.

**9. Fictitious Business Names** - MAX 4, Item 88 (Relationships with the Public) requires that the carrier shall, among other things, cross reference in classified telephone directories each name under which the carrier conducts business. Staff's report alleges that Mr. Move failed to cross reference each of its fictitious business names to all other names listed in its telephone directory advertisements.

**10. Inspection of Records** - The Commission, its authorized employees, representatives, and inspectors shall at all times have access to all lands, buildings, and equipment of household goods carriers used in connection with the operation of their business as such carriers in this state, and also all accounts, records, and memoranda, including all documents, books, papers, and correspondence kept or required to be kept by household goods carriers, and may photocopy or electrostatically or photostatically reproduce at the Commission's expense any of these accounts, records, memoranda, documents, books, papers, and correspondence at either the premises of the carrier or the offices of the Commission (§ 5225).

Staff alleges that carrier failed to allow inspection of records required to be maintained by household goods carriers upon request of an authorized representative of the Commission. Furthermore, staff alleges that carrier failed to provide documents requested in a timely manner. Staff reports that requests for documents pertaining to shippers' complaints would require at least 2-3 follow-up letters and took at least 3-5 months before the documents were turned over to staff. In some cases, staff was not permitted to view any other files, and Eli Galam would look over each document in the shipper/complainant's file and hand to staff only what he wanted staff to see.

#### **IV. DISCUSSION**

The Commission is the agency responsible for regulation of intrastate transportation of used household goods, personal effects and furniture pursuant to Article XII of the California Constitution, the Household Goods Carriers Act (Public Utilities Code § 5101, et seq.) § 5139 authorizes the Commission to establish rules for the performance of any service of the character furnished or supplied by household goods carriers. § 5245 states that the Commission shall establish rules and regulations controlling the estimates given by a household goods carrier to a shipper. These sections provide that all household goods carriers shall observe such rules and regulations and failure to do so is unlawful. The rules and regulations established by the Commission are contained in MAX 4, G.O. 100-M, G.O. 136-C, G.O. 142, and others.

Statutes and regulations require, among other things, that household goods carriers operate in a responsible manner in the public interest; procure, continue in effect, and maintain on file adequate proof of public liability and property damage, cargo, and workers' compensation insurance; and observe rules and regulations governing: (1) acknowledgement and handling of claims for loss and damage, (2) issuance of estimates, (3) execution and issuance of shipping documents, (4) training and supervision of employees, (5) maintenance of equipment and facilities, and (6) rules pertaining to payment of regulatory fees, rates, and charges. The Commission is the primary agency responsible for enforcing these and other statutes and regulations governing household goods carriers. These other statutes and regulations include general consumer protection and public safety provisions.

Section 5285(b) authorizes the Commission, upon complaint or on the Commission's own initiative and after notice and opportunity to be heard, to suspend, change, or revoke a permit for failure of the carrier to comply with any of the provisions of the Act, or with any order, rule, or regulation of the Commission, or with any term, condition, or limitation of the permit. § 5285(d) provides that the Commission may cancel, suspend, or revoke the permit of any carrier upon the conviction of the carrier of

any misdemeanor under the Act while holding operating authority issued by the Commission.

We place tremendous trust in household goods carriers in granting them operating authority, a trust equaled by that of our citizens who tender their most personal and treasured belongings to movers. This carrier's pattern of violations, including operations during suspension of its permit, holding goods hostage and failure to release goods upon payment of the Not To Exceed Price, failure to maintain on file evidence of public liability and cargo insurance, failure to provide customers with properly completed shipping documents, failure to adequately train and supervise its employees, failure to provide business records to authorized representatives of the Commission, and continuing unfair business practices and abuse of consumers after staff directives to cease such unlawful activity, alarms us. These violations raise serious questions concerning this operator's willingness to meet minimum requirements, including fitness requirements, for movers operating under color of authority of a household goods carrier permit issued by the Commission.

CPSD's allegations described herein and documented in staff's reports and consumer declarations are grave and, if substantiated through hearing, may well constitute grounds for revocation for cause of Mr. Move's operating authority and/or other appropriate sanctions and remedies, including a permanent forfeiture of rights to operate as a household goods carrier in this state.

It appears that Mr. Move and Eli Galam may have:

1. Violated Public Utilities Code § 5286 by conducting operations as a household goods carrier during periods of suspension of its permit; COUNTS: 5  
[Prepared Testimony of CPSD Investigator Lou Ann Smith (Prep. Test.) Pages 9-12, 13-15, 17-18. Attachments 8-10, 12, 14.]
2. Violated Public Utilities Code §§ 5139 and 5161, and G.O.s 100-M and 136-C by failing to maintain evidence of adequate public liability and cargo insurance on



file with the Commission, as required by law of all carriers; COUNTS: 103 [Prep. Test. Attachment 1.]

3. Violated Public Utilities Code § 5245 and Item 104 of MAX 4, by refusing to release or unload shipments at destination upon payment of the Not To Exceed Price; COUNTS: 10 [Prep. Test. Pages 8-10, 12-13, 14-22, 23-24. Attachments 6, 7, 10, 12-17, 21.]

4. Violated Public Utilities Code § 5245 and Item 108 of MAX 4, by providing an estimated cost for proposed moving services that was not in writing and not done after a visual inspection of the goods to be moved; COUNTS: 4 [Prep. Test. Pages 11-14, 16-20. Attachments: 9, 11, 13, 15.]

5. Violated Public Utilities Code § 5245 and Item 108 of MAX 4, by charging in excess of the verbal estimate given the shipper; COUNTS: 14 [Prep. Test. Pages 8-26. Attachments 6-7, 9, 11-17, 20-21, 23-24.]

6. Violated Public Utilities Code § 5245 and Item 120 of MAX 4, by failing to complete a valid change order containing all required information for additional services and increased charges; COUNTS: 3 [Prep. Test. Pages 8-9, 14-16, 19-20. Attachments 6, 12, 15.]

7. Violated Public Utilities Code § 5139 and Item 88 of MAX 4, by failing to furnish to each prospective shipper at the time of first in person contact a copy of the booklet entitled “Important Information For Persons Moving Household Goods”; COUNTS: 9 [Prep. Test. Pages 9-12, 16-25. Attachments 7, 9, 13-17, 19, 22.]

8. Violated Public Utilities Code § 5139 and Items 128(2r), Note 3, and 136(3) of MAX 4, by failing to offer or allow shippers to select a valuation option of other than \$ .60 cents per pound per article in the Declaration of Value section of shipping documents; COUNTS: 13 [Prep. Test. Pages 8-12, 13-22, 24-26. Attachments 6-9, 11-13, 15, 17-18, 22-24.]

9. Violated Public Utilities Code § 5139 and Item 128 of MAX 4, by failing to provide shippers an Agreement For Moving Services prior to performing any moving

service; COUNTS: 14 [Prep. Test. Pages 8-13, 14-25. Attachments 6-7, 9-10, 12-17, 19-22.]

10. Violated Public Utilities Code § 5139 and Items 128 and 132 of MAX 4, by failing to include a “Not To Exceed Price” on its Agreement For Moving Services and Freight Bills; COUNTS: 9 [Prep. Test. Pages 8-18, 23-25. Attachments 6-10, 12-13, 20, 22.]

11. Violated Public Utilities Code § 5139 and Items 128 and 132 of MAX 4, by failing to include the required information on its shipping documents; COUNTS: 13 [Prep. Test. Pages 8-23. Attachments 6-15, 17, 19, 20.]

12. Violated Public Utilities Code § 5139 and Item 132 of MAX 4, by failing to provide shippers a freight bill; COUNTS: 2 [Prep. Test. Pages 12-13, 19-20. Attachments 10, 15.]

13. Violated Public Utilities Code § 5139 and Item 340, Note 6 of MAX 4, by improperly charging shippers for additional packing materials such as paper and packing tape; COUNTS: 2 [Prep. Test. Pages 8-9, 11-12. Attachments 6, 9.]

14. Violated Public Utilities Code § 5139 and Item 16 of MAX 4, by assessing hourly rates in lieu of distance rates for shipments transported in excess of 100 constructive miles; COUNT: 1 [Prep. Test. Pages 12-13. Attachment 10.]

15. Violated Public Utilities Code § 5139 and Item 80 of MAX 4, by failing to obtain a weighmaster’s certificate or ticket prior to delivery and unloading of a shipment transported under distance rates; COUNT: 1 [Prep. Test. Pages 12-13. Attachment: 10.]

16. Violated Public Utilities Code § 5139 and Item 36 of MAX 4, by charging the customer for down time in excess of the total time spent loading, unloading and double the drive time from point of origin to point of destination; COUNT: 1 [Prep. Test. Pages 13-14. Attachment 11.]

17. Violated Public Utilities Code § 5139 and Item 92 of MAX 4, by failing to acknowledge and timely process claims for loss or damage; COUNTS: 7 [Prep. Test. Pages 9-12, 20-25. Attachments: 7-9, 16, 18-19, 22.]

18. Violated Public Utilities Code § 5139 and Item 88 of MAX 4, by failing to cross reference each of its fictitious business names to all other names listed in telephone directory advertisements; COUNTS: 13 [Prep. Test. Pages 30-31. Attachment 30.]

19. Violated Public Utilities Code § 5139 and General Order 142 by failing to properly to train and supervise employees; COUNTS: 19 [Prep. Test. Pages 8-25. Attachments: 6-22.]

20. Violated Public Utilities Code § 5226 by failing to allow inspection of records required to be maintained by household goods carriers upon request of an authorized representative of the Commission; COUNTS: 3 [Prep. Test. Pages 26-27, 31-32. Attachments 25,31.]

**IT IS ORDERED** that:

1. An investigation on the Commission's own motion is instituted into the operations and practices of Mr. Move Moving & Storage, Inc. and its president Eli Galam (Respondents), to determine whether Respondents have violated the laws and regulations that govern household goods carriers, and whether:

- a. Respondents' household goods carrier permit should be revoked, or other sanctions imposed, pursuant to Public Utilities Code § 5285.
- b. Respondents should be ordered to:
  1. Review the 19 consumer declarations,
  2. Satisfy all of those consumers' claims of overcharges including any outstanding court judgments, arising from violation of the Commission's estimating rules and maximum rates, and
  3. Provide its contentions, assumptions, and calculations on each of the 19 consumer complaints.
- c. Respondents Mr. Move, Eli Galam, its principals or any entity in which respondents hold a financial or management interest should be prohibited from obtaining a permit.

- d. Any other orders are appropriate in the Commission's exercise of its lawful jurisdiction.
2. Respondents shall respond fully to staff's testimony and each allegation in this investigation, by written testimony. The testimony will be tendered no later than 45 days after the effective date of this order, unless that due date is modified by the assigned commissioner or administrative law judge. The testimony shall respond to all factual allegations, and shall provide all reasons why Respondents contend that revocation of operating authority, and all other remedies and relief raised in this investigation, are unlawful or otherwise inappropriate.
3. A public hearing on this matter shall be held expeditiously before an Administrative Law Judge (ALJ) at a time and date to be set at the prehearing conference. At the hearing, Respondents shall appear and demonstrate why its household goods carrier permit should not be revoked for cause and lack of fitness in view of the above listed allegations made by Staff, and the criminal convictions in Los Angeles Superior Court Case No. 3CR02706.
4. During the pendency of this investigation, it is ordered that Respondents shall cease and desist from any violations of the terms of probation ordered by the Superior Court for the County of Los Angeles as part of the sentence imposed in criminal complaint Case No. 3CR02706.
5. Staff, if it elects to do so, may present additional evidence beyond that described in the declaration issued with this order, either by testimony or through documentation, bearing on the operations of Respondents.
6. Staff may propose to amend the OII to add additional respondents or to raise additional issues. Any such proposal should be presented to the Commission in the form of a motion to amend the OII and should be supported by Staff declarations supporting the additional named respondents and/or proposed amendments.
7. Scoping Information: This paragraph suffices for the "preliminary scoping memo" required by Rule 6 (c).

8. This enforcement proceeding is adjudicatory, and, absent settlement between staff and the Respondents, will be set for evidentiary hearing. A hearing may also be held on any settlement for the purpose of enabling parties to justify that it is in the public interest or to answer questions from the ALJ about the settlement terms. Given the seriousness of the allegations asserted by Staff, the Commission therefore has determined that it is reasonable to have an expedited prehearing conference to be scheduled and hearings will be held as soon as practicable thereafter in the Commission Los Angeles office. Objections to the OII may be filed but must be confined to jurisdictional issues, which could nullify any eventual Commission order on the merits of the issues about violations of statutes, rules, regulations or orders.

9. Respondents are hereby ordered to cease and desist any and all violations of MAX 4, California statutes, general orders, and Commission regulations until the Commission has an opportunity to review and pass judgment on their fitness to hold operating authority from this Commission to conduct operations as a mover within California.

10. Respondents are hereby placed on notice that if staff's allegations are proven during the evidentiary hearing, the Commission may impose fines and penalties according to those authorized by law.

The Executive Director shall cause a copy of this order, the staff declarations and other related documents to be served by certified mail upon respondents, Eli Galam, President and Mr. Move Moving & Storage, Inc., 7040 Darby Avenue, Reseda, CA 91335-4417. A copy of this order and the staff declaration shall also be sent by certified mail to: Roger Browning, Attorney at Law, Counsel for Respondents, Law Offices of Glassman, Browning and Saltsman, 360 North Bedford Drive, Suite 204, Beverly Hills, CA 90210-5157.

This order is effective today.

Dated April 21, 2005, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
DIAN GRUENEICH  
Commissioners